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## THE THEORY OF RENT AND AMERICAN AGRICULTURE—DISCUSSION

**RICHARD T. ELY:** I do not believe that government purchase necessarily means a greatly increased price of land purchased. It has been stated that the government has paid a high price for the land purchased in Ireland. Mr. Lloyd George has made this statement in the British Parliament. In my investigations in Ireland last summer I did not find facts that would warrant this statement. Very generally I found that the government paid about twenty years' purchase, whereas in England very often the price of land far exceeds this. There are certain peculiarities in the Irish situation which might make the value of land less, but even if we take these into consideration I do not think that it can be said that the government has paid a high price for the land. I remember talking with a gentleman connected with one of the commissions about a great estate which it was expected would soon be purchased, and I was told that it was expected to buy the land at a price varying from eighteen to twenty years' purchase.

In Ireland there is a twelve per cent bonus paid to owners, but the impression that I have gained was that even with this bonus included the owners did not receive any exorbitant price for their land. In making bargains for the sale of land it was impossible to avoid taking into account the twelve per cent bonus.

This subject has been discussed in connection with the proposed purchase of land in England. I think it is agreed that if the government should proceed carelessly the price of land would be raised. If, however, the government buys land cautiously only when it is offered in the market at a reasonable price I do not think that it would result in raising the price of land greatly. I think also in other countries if the government is in the market to buy land only when people really desire to sell, it can make good bargains just as a private individual can do who is a purchaser only when he finds what he regards as a good bargain.

**B. H. HIBBARD:** The results of a questionnaire sent to the landlords of an Iowa county support strongly the contention that cash rent is no more adjustable to changing conditions than is share rent. The replies show that the proportion of the crop received as rent has increased appreciably within the past few years, thus giving the landlord a return greater in quantity as well as higher

in prices per unit. The amount of the cash rental per acre is on the increase at the same time but is less able to adjust itself to the conditions brought about by the rise in prices of farm products. As a result, the majority of land owners receiving cash rent express a preference for share rent, the reason for continuing the cash being the reluctance of the tenant to give a share. The land owners receiving share rent, with very few exceptions, prefer what they are getting by this arrangement to a cash rent. It is little wonder that the popularity of share rent is increasing, in view of the fact that it is yielding to the landlords as high as twenty dollars an acre, and seldom less than six dollars, which latter amount is about the average payment on the cash basis. It is of course evident that share rent adjusts itself in great measure to changing conditions of prices automatically. This inquiry shows that it also adjusts itself with respect to the proportion of the crop taken as a rental with greater readiness than cash rental increases in amount to correspond to the increased value of produce.